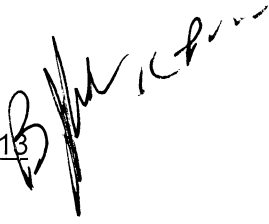


DATE: August 31, 2004  
TO: Municipal Clerk  
FROM: Byron E. Johnson, C.P.M.  
Director of Purchasing x 4313  
THRU: Aurora Wells  
Interim Bid Clerk ext. 4038



Pease place the following item on the **CONSENT** agenda for the Council Meeting of **SEPTEMBER 7, 2004**.

Item should read as follows:

Bid No.: 2004-193R Supplemental Life Insurance  
(Life, Dental, Vision & Disability)  
Award To: Vendor/Item: Safeguard Health Plans Inc-Vision  
Dallas, TX/El Paso, TX  
Vendor/Item: United Concordia-Dental  
Dallas, TX/El Paso, TX  
Vendor/Item: Safeguard Health Plans Inc-Dental  
Dallas, TX/El Paso, TX  
Vendor/Item: ING Employee Benefits-Life  
Dallas, TX/El Paso, TX  
Vendor/Item: UNUM-Disability Coverage  
El Paso, TX  
Amount: \$73,990.80 (estimate yearly)

Department: Office of Management & Budget  
Funds available: 04100248-45121-502119  
Funding source: Health Insurance and Benefits-Health Benefits  
Total award: \$209,640.60 (estimate for 34 months)  
District (s): All

The Office of Management and Budget, Insurance Department, Consultant, Purchasing Department and the review committee have met and reviewed the Proposals that were received. It is the recommendation of the committee to award the RFP to Safeguard, United Concordia, ING Employee Benefits and UNUM. The proposal responses addressed the scope and intent of the RFP.

This is a thirty-four (34) month contract with the options to extend the contracts for two (2) additional years, one year at a time.

Additionally, it is requested authorization for City staff to negotiate, City Attorney's Office to review, and the Mayor be authorized to execute any related contract documents, agreements and budget transfer, necessary during the contract.

Contact person: Ray Heredia, Procurement Analyst at 541-4316.

\*\*\*\*\*

AGENDA FOR: **SEPTEMBER 7, 2004**

\*\*\*\*\*

# Agenda Item Form

Agenda Date: SEPT 7, 2004

Districts Affected: All

Dept. Head/Contact Information: Byron E. Johnson

## Type of Agenda Item:

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Resolution                                  | <input type="checkbox"/> Staffing Table Changes   | <input type="checkbox"/> Board Appointments        |
| <input type="checkbox"/> Tax Installment Agreements                  | <input type="checkbox"/> Tax Refunds              | <input type="checkbox"/> Donations                 |
| <input checked="" type="checkbox"/> RFP/ BID/ Best Value Procurement | <input type="checkbox"/> Budget Transfer          | <input type="checkbox"/> Item Placed by Citizen    |
| <input type="checkbox"/> Application for Facility Use                | <input type="checkbox"/> Bldg. Permits/Inspection | <input type="checkbox"/> Introduction of Ordinance |
| <input type="checkbox"/> Interlocal Agreements                       | <input type="checkbox"/> Contract/Lease Agreement | <input type="checkbox"/> Grant Application         |
| <input type="checkbox"/> Other _____                                 |   |  |

## Funding Source:

- ☐ General Fund
- ☐ Grant (duration of funds: \_\_\_\_\_ Months)
- ☒ Other Source: Health Benefit Fund

## Legal:

- ☒ Legal Review Required      Attorney Assigned (please scroll down): None      ☐ Approved      ☐ Denied

Timeline Priority: ☒ High      ☐ Medium      ☐ Low      # of days: \_\_\_\_\_

## Why is this item necessary:

Supplemental Coverage plans will expire 12/31/04. All items needed to be bid in order to obtain and secure coverage before 12/31/04 and in order to hold enrollment sessions.

## Explain Costs, including ongoing maintenance and operating expenditures, or Cost Savings:

The cost to the City is in the basic term life insurance coverage. The annual cost for the first year will be approximately \$73,990.80 for \$15,000.00 in basic life insurance coverage. All other supplemental coverages are employee supported.

## Statutory or Citizen Concerns:

\_\_\_\_\_

## Departmental Concerns:

\_\_\_\_\_

3

\*\*\*\*\*

BYRON E. JOHNSON, C.P.M.  
DIRECTOR OF PURCHASING

## **Consent Agenda for September 7, 2004**

RFP NO.: 2004-193R Supplemental Insurance,  
(Life, Dental, Vision & Disability)  
Award to: Safeguard Health Plans Inc - Vision  
Dallas, TX/EI Paso, TX  
Award to: United Concordia - Dental Coverage  
Dallas, TX./EI Paso, TX  
Award to: Safeguard Health Plans, Inc - Dental Coverage  
Dallas, TX/EI Paso, TX  
Award to: ING Employee Benefits – Life Coverage  
Dallas, TX/EI Paso, TX  
Award to: UNUM – Disability Coverage  
EI Paso, TX

Award Amount: \$73,990.80 EST/YR

This is a thirty-four (34) month contract with the options to extend the contracts for two (2) additional years, one year at a time.

Department: Office of Management & Budget  
Funds available: 04100248-45121-502119  
Funding source: Health Insurance and Benefits – Health Benefits  
Total Award: \$209,640.60 Est/34 Months  
District(s): All

## Dental Insurance

### Summary Notes and Recommended Action

#### RFP# 2004-193R Supplemental Insurance

Safeguard offers the City four separate plans and the lowest rates for the base plan “Value Choice Plan,” which is the closest to the current carrier.

Two separate issues place this company in first place, the first being the overall cost, which is the lowest bid. The second being that the plan design is a “no balance bill” approach with the in-network providers. This means that the listed providers have agreed to provide the services for the amount specified by the carrier. The client does not get billed for the difference.

These two reasons along with the broad choice of plans would rank the company first.

**Note: This company offers an HMO plan to replace the current HMO at lower rates along with the other better quality plans.**

United Concordia has by far the largest network and is the current provider. This is a large part of the selection process because the employees have a greater choice of which dentist to work with. The negative is that of the five bidders in the final round, this company is the most expensive. Safeguard and United Concordia have very similar plan designs and benefit structures.

The decision on this would be based on either flexibility on plan choice and cost offered by Safeguard or the very large provider network offered by United Concordia.

#### Special Note:

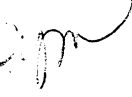
The City currently offers two companies. It may be a good choice to keep United Concordia and offer Safeguard as a replacement for the second company that is now offered and did not make the best and final round.

Unimerica is competitively priced but severely lacking in service capability.

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## INSURANCE & BENEFITS

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TO: RAY HEREDIA  
THRU: DAVID ALMONTE  
FROM: IRENE Y. MORALES   
SUBJECT: RECOMMENDATIONS  
DATE: AUGUST 17, 2004

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The following are the recommendations from the benefits consultant, administration and the evaluation committee to award on RFP#2004-195R, Third Party Administrators, Network, UN/UR, Stop Loss, Section 125 Administration, COBRA/HIPAA Administration, Employee Assistance Program, Pharmacy Benefits Manager and Flexible Spending Account Administration for an initial 34-month period beginning November 1, 2004 through August 31, 2007 and the option to renew for two one-year periods from September 1, 2007 through August 31, 2008 and September 1, 2008 through August 31, 2009:

Third Party Administrator: Access Administrators, Inc.  
Managed Care Network: Advantage Care Network  
Utilization Review/Utilization Management: Access Administrators, Inc.  
Stop Loss Carrier: ING  
Section 125 Plan Administrator: Access Administrators, Inc.  
COBRA/HIPAA Administrator: Access Administrators, Inc.  
Employee Assistance Program Administrator: NCED Mental Health  
Pharmacy Benefit Manager: Restat

The following are the recommendation from the benefits consultant, administration and the evaluation committee to award on FRP#2004-193R, Dental, Life, Vision and Disability coverages for an initial 34-month period beginning November 1, 2004 through August 31, 2007 and the option to renew for two one-year periods from September 1, 2007 through August 31, 2008 and September 1, 2008 through August 31, 2009:

Dental Coverage – United Concordia and Safeguard  
Life Coverage – ING Employee Benefits  
Vision Coverage – Safeguard Vision  
Disability Coverage – UNUM

## City of El Paso

## Dental Insurance Rate Analysis

## MONTHLY PREMIUM RATES

### Four Tier

Employee Only  
Employee + Spouse  
Employee + Child(ren)  
Employee + Family

### Three Tier

Employee Only  
Employee + 1  
Employee + Family

## CURRENT ENROLLMENT

Employee Only	381
Employee + 1	190
Employee + Family	204

Monthly

Current United Concordia		Safeguard		United Concordia		Aetna		Unimerica	
With Ortho	Without Ortho	With Ortho	Without Ortho	With Ortho	Without Ortho	With Ortho	Without Ortho	With Ortho	Without Ortho
		\$18.16	\$16.49	\$21.19	\$19.43	\$21.08	\$18.12		
		\$38.13	\$34.65	\$50.15	\$40.81	\$45.32	\$38.95		
		\$39.95	\$36.30	\$46.26	\$36.92	\$42.47	\$36.51		
		\$62.43	\$56.72	\$76.04	\$67.24	\$69.55	\$59.79		
\$18.35	\$18.35	\$18.16	\$16.49	\$21.18	\$19.43	\$18.08	\$18.08	\$16.88	\$16.88
\$38.95	\$37.77	\$37.38	\$33.96	\$44.30	\$40.00	\$38.37	\$37.21	\$35.83	\$34.75
\$69.76	\$61.20	\$60.57	\$55.01	\$77.23	\$64.81	\$68.72	\$60.29	\$64.18	\$56.31
\$6,991.35	\$6,991.35	\$6,918.96	\$6,282.69	\$8,069.58	\$7,402.83	\$6,888.48	\$6,888.48	\$6,431.28	\$6,431.28
\$7,400.50	\$7,176.30	\$7,102.20	\$6,452.40	\$8,417.00	\$7,600.00	\$7,290.30	\$7,069.90	\$6,807.70	\$6,602.50
\$14,231.04	\$12,484.80	\$12,356.28	\$11,222.04	\$15,754.92	\$13,221.24	\$14,018.88	\$12,299.16	\$13,092.72	\$11,487.24
\$28,622.89	\$26,652.45	\$26,377.44	\$23,957.13	\$32,241.50	\$28,224.07	\$28,197.66	\$26,257.54	\$26,331.70	\$24,521.02

## Evaluation of Proposal

Service Capability (30%)  
Fees, Guarantees (50%)  
Financial Stability (10%)  
Quality of Response

Total

Safeguard	United Concordia	Aetna	Unimerica
30	20	20	20
40	50	40	42
10	10	10	10
10	10	10	10
90	90	80	82

**City of El Paso**  
**Dental Plan Comparison**

PLAN DESIGN DENTAL	CURRENT United Concordia		Safeguard		United Concordia <u>2-year guarantee</u>		Aetna		Unimerica	
	High Plan	Low Plan	With Ortho	Without Ortho	High Plan	Low Plan	With Ortho	Without Ortho	Option II	Option I
Annual Deductible										
Individual	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Family	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Preventive Services Deductible	No	No	No	No	No	No	No	No	No	No
Preventive Services Covered Percent	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Basic Service Covered Percent	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Major Service Covered Percent	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Annual Benefit Maximum	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Office Visit Copay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Orthodontic Services	50%	N/A	50%	N/A	50%	N/A	50%	N/A	50%	N/A
Orthodontic Deductible	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Orthodontic Lifetime Maximum	\$1,000	N/A	\$1,000	N/A	\$1,000	N/A	\$1,000	N/A	\$1,000	N/A
Adult Orthodontia	No	No	Yes	No	Yes	No	No	No	Yes	No
<b>Network Providers</b>	104	93		21	104	93	23	27	20	22
<b>PREVENTIVE</b>										
Oral Examinations	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cleanings	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Flouride	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Sealants (permanent molars only)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Bitewing X-rays	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Full mouth series x-rays	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>BASIC</b>										
Root canal therapy	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Anterior teeth / Bicuspid teeth	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Amalgam (silver) fillings	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Composite fillings	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Stainless steel crowns	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Uncomplicated extractions	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Surgical removal of erupted tooth	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
<b>MAJOR</b>										
Root canal therapy, molar teeth	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Surgical removal of impacted tooth	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
General anesthesia	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Inlays	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Crowns	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Full and partial dentures	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
<b>MONTHLY PREMIUM RATES</b>										
<b>Four Tier</b>			With Ortho	Without Ortho			With Ortho	Without Ortho	With Ortho	Without Ortho
Employee Only			\$18.16	\$16.49	\$21.19	\$19.43	\$21.08	\$18.12		
Employee + Spouse			\$38.13	\$34.65	\$50.15	\$40.81	\$45.32	\$38.95		
Employee + Child(ren)			\$39.95	\$36.30	\$46.26	\$36.92	\$42.47	\$36.51		
Employee + Family			\$62.43	\$56.72	\$76.04	\$67.24	\$69.55	\$59.79		
<b>Three Tier</b>										
Employee Only	\$18.35	\$18.35	\$18.16	\$16.49	\$21.18	\$19.43	\$18.08	\$18.08	\$16.88	\$16.88
Employee + 1	\$38.95	\$37.77	\$37.38	\$33.96	\$44.30	\$40.00	\$38.37	\$37.21	\$35.83	\$34.75
Employee + Family	\$69.76	\$61.20	\$60.57	\$55.01	\$77.23	\$64.81	\$68.72	\$60.29	\$64.18	\$56.31



## City of El Paso

### Dental HMO Rate Analysis

#### MONTHLY PREMIUM RATES

##### Four Tier

Employee Only  
Employee + Spouse  
Employee + Child(ren)  
Employee + Family

##### Three Tier

Employee Only  
Employee + 1  
Employee + Family

##### Currently Enrolled

Employee Only  
Employee + 1  
Employee + Family

455  
233  
337  
Monthly

Current Rates Fortis / Assurant	Safeguard	Fortis / Assurant
	\$8.35	
	\$13.92	
	\$16.14	
	\$19.48	
\$9.73	\$8.35	\$9.73
\$17.33	\$15.45	\$17.33
\$25.98	\$19.62	\$25.98
\$4,427.15	\$3,799.25	\$4,427.15
\$4,037.89	\$3,599.85	\$4,037.89
\$8,755.26	\$6,611.94	\$8,755.26
<b>\$17,220.30</b>	<b>\$14,011.04</b>	<b>\$17,220.30</b>

#### Evaluation of Proposal

Service Capability (30%)  
Fees, Guarantees (50%)  
Financial Stability (10%)  
Quality of Response  
**Total**

Safeguard	Fortis / Assurant
25	25
50	45
10	10
10	10
<b>95</b>	<b>90</b>

City of El Paso  
Dental HMO Plan Comparison

PLAN DESIGN DENTAL	CURRENT Fortis / Assurant	Safeguard	Fortis / Assurant
<b>DIAGNOSTIC</b>			
Routine Office Visit	\$5	\$3	\$5
Periodic Oral Evaluation	\$0	\$0	\$0
Comprehensive Oral Examination	\$0	\$0	\$0
X-ray Intraoral	\$0	\$0	\$0
X-ray Bitewing	\$0	\$0	\$0
<b>PREVENTIVE</b>			
Cleanings, Adult/Child	\$9	\$18/\$9	\$9
Flouride	\$0 (Child)	\$0	\$0 (Child)
Sealants	\$7	\$10	\$7
Space Maintainers - Fixed	\$60	\$50	\$60
Space Maintainers - Removable	\$85	\$50	\$85
<b>RESTORATIVE</b>			
Amalgam, one surface	\$9	\$11	\$9
Amalgam, two surfaces	\$12	\$13	\$12
Amalgam, three surfaces	\$14	\$15	\$14
Resin, one surface	\$28	\$15	\$28
Resin, two surfaces	\$37	\$18	\$37
Resin, three surfaces	\$45	\$23	\$45
Crowns	\$245	\$230	\$245
<b>ENDONTICS</b>			
Root canal - Anterior	\$100	\$95	\$100
Root canal - Bicuspid	\$190	\$118	\$190
Root canal - Molar	\$200	\$175	\$200
<b>OTHER</b>			
Periondotal Scaling and Root Plannig	\$45	\$40	\$45
Complete Upper Denture	\$310	\$250	\$310
Complete Lower Denture	\$310	\$250	\$310
Removal of Impacted Tooth - soft tissue	\$45	\$45	\$45
Removal of Impacted Tooth - partial bony	\$70	\$55	\$70
Removal of Impacted Tooth - complete bony	\$95	\$80	\$95
<b>NETWORK PROVIDERS</b>	14	16	14
<b>MONTHLY PREMIUM RATES</b>			
<b>Four Tier</b>			
Employee Only		\$8.35	
Employee + Spouse		\$13.92	
Employee + Child(ren)		\$16.14	
Employee + Family		\$19.48	
<b>Three Tier</b>			
Employee Only	\$9.73	\$8.35	\$9.73
Employee + 1	\$17.33	\$15.45	\$17.33
Employee + Family	\$25.98	\$19.62	\$25.98

## **Life Insurance**

### **Summary Notes and Recommended Action**

#### **RFP# 2004-193R Supplemental Insurance**

ING is the top bidder based on best overall prices. The cost of the City's portion is slightly higher than one of the other bidders by \$237.15 monthly. However, it is more than \$1,300 lower per month than the City's current plan. The supplemental portion however, is at minimum \$1,403.50 less than the next best bidder, Fortis/Assurant.

This company is offering a special one-time provision for the guarantee issue supplemental coverage as follows:

1. Current participants with supplemental coverage can increase to \$100,000 on a guarantee issue basis.
2. Current employees who have not enrolled in the supplemental coverage, and who otherwise would have lost the opportunity to get guarantee issue coverage can get up to \$50,000 guarantee issue. This is an important concession on behalf of the insurance company because people who did not purchase supplemental in the past, and now wish to purchase this coverage typically do so because they cannot get coverage due to their health status from other companies if they go through underwriting.

ING also offers a second option in which employees can obtain \$150,000 of coverage on a simplified issue basis. With this option employees would be asked to answer one health question. The City would have to decide whether the \$150,000 simplified issue is best or the \$50,000 guarantee issue.

These two provisions are in addition to the normal \$100,000 guarantee issue for new employees.

Minnesota Life offered the lowest cost to be City however the supplemental costs would be \$33,338 more per month. That is way out of line.

Fortis and UNUM were not the lowest bidders nor did they offer special considerations, which would motivate the City to select them.

Minnesota Life, Fortis/Assurant, and UNUM are not recommended based on overall cost for both the City and employees and the special features offered by ING.

## City of El Paso

## Life Insurance Rate Analysis

## BASIC LIFE W/AD&amp;D

	Lives	Volume
15,000	5270	79050
20,000	5270	105400

Current - UNUM	
Rates	Cost
0.149	\$ 11,778.45
	\$ 15,704.60

ING	
Rates	Cost
0.078	\$ 6,165.90
	\$ 8,221.20

Minnesota Life	
Rates	Cost
0.075	\$ 5,928.75
	\$ 7,905.00

Fortis/Assurant	
Rates	Cost
0.080	\$ 6,324.00
	\$ 8,432.00

UNUM	
<b>Rates</b>	<b>Cost</b>
0.095	\$ 7,509.75
	\$ 10,013.00

## SUPPLEMENTAL LIFE

Ages	Lives	Volume
Under 30	241	26660
30-34	486	58540
35-39	646	80225
40-44	686	81920
45-49	569	60660
50-54	403	36670
55-59	240	18655
60-64	100	6150
65-69	27	1,535
70 +	1	20

Current - UNUM	
Rates	Cost
0.05	\$ 1,333.00
0.08	\$ 4,683.20
0.10	\$ 8,022.50
0.16	\$ 13,107.20
0.25	\$ 15,165.00
0.40	\$ 14,668.00
0.68	\$ 12,685.40
0.85	\$ 5,227.50
1.57	\$ 2,409.95
1.57	\$ 31.40

ING	
Rates	Cost
0.05	\$ 1,333.00
0.06	\$ 3,512.40
0.08	\$ 6,418.00
0.10	\$ 8,192.00
0.15	\$ 9,099.00
0.23	\$ 8,434.10
0.43	\$ 8,021.65
0.66	\$ 4,059.00
0.85	\$ 1,304.75
1.57	\$ 31.40

Minnesota Life	
Rates	Cost
0.054	\$ 1,439.64
0.087	\$ 5,092.98
0.108	\$ 8,664.30
0.173	\$ 14,172.16
0.271	\$ 16,438.86
0.433	\$ 15,878.11
0.737	\$ 13,748.74
0.921	\$ 5,664.15
1.701	\$ 2,611.04
1.701	\$ 34.02

Fortis/Assurant	
Rates	Cost
0.061	\$ 1,626.26
0.061	\$ 3,570.94
0.078	\$ 6,257.55
0.098	\$ 8,028.16
0.148	\$ 8,977.68
0.252	\$ 9,240.84
0.452	\$ 8,432.06
0.692	\$ 4,255.80
0.903	\$ 1,386.11
1.67	\$ 33.40

UNUM	
Rates	Cost
0.05	\$ 1,333.00
0.08	\$ 4,683.20
0.10	\$ 8,022.50
0.16	\$ 13,107.20
0.25	\$ 15,165.00
0.40	\$ 14,668.00
0.68	\$ 12,685.40
0.85	\$ 5,227.50
1.57	\$ 2,409.95
1.57	\$ 31.40

TOTALS

**BASIC LIFE W/AD&D  
BEST (Minnesota Life)  
DIFFERENCE**

Current - UNUM	\$ 11,778.45
	\$ 77,333.15

ING	
\$	6,165.90
\$	5,928.75
\$	237.15
\$	50,405.30
\$	50,405.30
\$	-

Minnesota Life	
	\$ 5,928.75
	\$ 5,928.75
	\$ -
	\$ 83,743.95
	\$ 50,405.30
	\$ 33,338.65

Fortis/Assurant	
	\$ 6,324.00
	\$ 5,928.75
	\$ 395.25
	\$ 51,808.80
	\$ 50,405.30
	\$ 1,403.50

UNUM
\$ 7,509.75
\$ 5,928.75
\$ 1,581.00
\$ 77,333.15
\$ 50,405.30
\$ 26,927.85

Evaluation of Proposal	
Service Capability (30%)	
Fees, Guarantees (50%)	
Financial Stability (10%)	
Quality of Response	
<b>Total</b>	

ING
30
50
10
10
100

Minnesota Life
30
20
10
10
70

Fortis/Assurant
25
35
10
10
80

UNUM
30
25
10
10
75

**City of El Paso  
Life Plan Comparison**

<b>Questionnaire</b>	<b>ING</b>	<b>Minnesota Life</b>	<b>Fortis/Assurant</b>	<b>UNUM</b>
Eligibility - employee hours per week	40 hours	All full time employees	Full-time	All full time employees
Waiting period	30 days	30 days	30 days	30 days
Accelerated benefit max	\$15,000	100%	80%	100%
Actively at work	Required	Waived		
Benefit reduction – at age 65	To 65%	No reduction	33% of original	None
Benefit reduction – at age 70	To 50%	No reduction	33% of in force	None
Benefit reduction – at age 75	To 30%	No reduction		None
Waiver of premium	Standard waiver, disabled before age 60 terminates at age 65	Prior to age 60 terminates at age 65	Yes	1 year extended death benefit on basic life
Occupational loss	Covered			Covered
Portability	Included on supplemental life	Yes	Yes	Included as standard feature
Rate Guarantee	3 years	3 years		
Guarantee Issue - Employee	\$100,000	\$100,000	\$100,000	\$100,000
Maximum Issue - Employee	\$215,000	\$200,000	\$300,000	\$200,000

## **Vision Insurance**

### **Summary Notes and Recommended Action**

#### **RFP# 2004-193R Supplemental Insurance**

Block Vision offers the same plan underwritten by two different companies. Block Vision offers the lowest rates if we select the plan underwritten by them. This company also offered two separate plans and the City can choose between a \$15 and \$20 deductible plan. This company also offers a twenty-four month rate guarantee.

Safeguard is the current carrier and has offered to lower the rate at renewal. However, the new renewal rates are higher than those offered by Block Vision. The benefits of staying with the current carrier are that employees would keep the same benefits for less money and they would not have to look for new providers.

Benevision is not recommended due to higher rates and a smaller network of providers.

## City of El Paso

### Vision Insurance Rate Analysis

#### MONTHLY PREMIUM RATES

##### Four Tier

Employee Only  
Employee + Spouse  
Employee + Child(ren)  
Employee + Family

##### Three Tier

Employee Only  
Employee + 1  
Employee + Family

##### Currently Enrolled

Employee Only  
Employee + 1  
Employee + Family

Monthly

Current - Safeguard	Block Vision	Safeguard	Benevision
	\$4.98	\$5.79	\$6.20
	\$8.96	\$9.36	\$10.81
	\$8.47	\$10.08	\$9.27
	\$13.45	\$15.63	\$15.42
	\$4.98	\$5.79	\$6.13
\$6.16	\$8.72	\$9.36	\$10.69
\$9.96	\$12.95	\$15.04	\$15.25
\$16.00			
572 \$3,523.52	\$2,848.56	\$3,311.88	\$3,506.36
342 \$3,406.32	\$2,982.24	\$3,201.12	\$3,655.98
384 \$6,144.00	\$4,972.80	\$5,775.36	\$5,856.00
<b>\$13,073.84</b>	<b>\$10,803.60</b>	<b>\$12,288.36</b>	<b>\$13,018.34</b>

#### Evaluation of Proposal

Service Capability (30%)  
Fees, Guarantees (50%)  
Financial Stability (10%)  
Quality of Response

#### Total

Block Vision	Safeguard	Benevision
25	20	20
50	40	35
7	10	10
10	10	5
<b>92</b>	<b>80</b>	<b>70</b>

## City of El Paso Vision Plan Comparison

PLAN DESIGN  VISION	CURRENT Safeguard		Block Vision		Safeguard		Benevision	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
<b>COPAYMENT</b>								
Exams	\$20		\$15		\$20		\$15	
Materials	\$20				\$20			
<b>FREQUENCY</b>								
Exams	Once every 12 months		Once every 12 months		Once every 12 months		Once every 12 months	
Lenses	Once every 12 months		Once every 12 months		Once every 12 months		Once every 12 months	
Frames	Once every 12 months		Once every 12 months		Once every 12 months		Once every 12 months	
Contact Lenses*	Once every 12 months		Once every 12 months		Once every 12 months		Once every 12 months	
<b>BENEFITS (after copayment(s))</b>								
Eye Exam	Covered in full	Up to \$35.00	Covered in full	Up to \$35.00	Covered in full	Up to \$35.00	Covered in full	Up to \$35.00
Lenses								
Single Vision	Covered in full	Up to \$25.00	Covered in full	Up to \$25.00	Covered in full	Up to \$25.00	Covered in full	Up to \$25.00
Bifocal	Covered in full	Up to \$35.00	Covered in full	Up to \$40.00	Covered in full	Up to \$35.00	Covered in full	Up to \$35.00
Trifocal	Covered in full	Up to \$45.00	Covered in full	Up to \$45.00	Covered in full	Up to \$45.00	Covered in full	Up to \$45.00
Lenticular	Covered in full	Up to \$55.00	Covered in full	Up to \$80.00	Covered in full	Up to \$55.00	Covered in full	Up to \$55.00
Frames	Covered in full	Up to \$35.00	Covered in full	Up to \$45.00	Covered in full	Up to \$35.00	Covered in full	Up to \$35.00
Contact Lenses								
Medical Necessary	Up to \$100.00	Up to \$75.00	Covered in full	Up to \$150.00	Up to \$100.00	Up to \$75.00	Covered in full	Up to \$75.00
Elective	Up to \$100.00	Up to \$75.00	Up to \$105.00	Up to \$55.00	Up to \$100.00	Up to \$75.00	Up to \$105.00	Up to \$75.00
<b>IN-NETWORK LOCATIONS</b>	27		24		27		17	
<b>WALK-IN LOCATIONS</b>	5		15		5		13	
<b>MONTHLY PREMIUM RATES</b>	<u>Current Rates</u>							
<b>Four Tier</b>								
Employee Only					\$5.79		\$6.20	
Employee + Spouse					\$9.36		\$10.81	
Employee + Child(ren)					\$10.08		\$9.27	
Employee + Family					\$15.63		\$15.42	
<b>Three Tier</b>								
Employee Only	\$6.16		\$4.98		\$5.79		\$6.13	
Employee + 1	\$9.96		\$8.72		\$9.36		\$10.69	
Employee + Family	\$16.00		\$12.95		\$15.04		\$15.25	



## **Disability Insurance**

### **Summary Notes and Recommended Action**

#### **RFP# 2004-193R Supplemental Insurance**

The UNUM is offering to renew the current plan and provisions at the current rates. This company is also offering a similar plan with the following differences:

Lower rates

Lower maximum benefit

Guarantee issue no occupational distinction

Participation requirement of 15%

Our recommendation is to keep the current plan based on overall value and the fact that there is no participation requirement.

### Disability Plan Comparison

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## CITY OF EL PASO CITY BID TABULATION

RFP ITEM:	SUPPLEMENTAL LIFE INSURANCE (LIFE, DENTAL, VISION & DISABILITY)	RFP:	2004-193R
RFP DATE:	JUNE 16, 2004	DEPARTMENT:	INSURANCE
AETNA		DALLAS, TX	
AFLAC		COLUMBUS, GA	
ALLSTATE WORKPLACE DIVISION		IRVING, TX	
ASSURANT EMPLOYEE BENEFITS		ADDISON, TX	
AVESIS INCORPORATED		OWINGS MILLS, MD	
BENECARD SERVICES & MAYNARD & ASSOCIATES		EL PASO, TX	
BLOCK VISION		FLORHAM PARK, NJ	
BLUE CROSS AND BLUE SHIELD OF TEXAS		EL PASO, TX	
FORT DEARBORN LIFE INSURANCE COMPANY		DALLAS, TX	
HOMELAND HEALTHCARE & MAYNARD & ASSOCIATES		EL PASO, TX	
KANAWHA INSURANCE COMPANY		LANCASTER, SC	
METLIFE INSURANCE COMPANY		DALLAS, TX	
MINNESOTA LIFE INSURANCE COMPANY		SAINT PAUL, MN	
SAFEGUARD HEALTH PLANS, INC. & SAFEHEALTH LIFE INSURANCE COMPANY		DALLAS, TX	
SPECTERA, INC.		BALTIMORE, MD	
STANDARD INSURANCE COMPANY		PORTLAND, OR	
SUPERIOR VISION PLAN		ENGLEWOOD, CO	
THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA		PHOENIX, AZ	
UNITED CONCORDIA COMPANIES, INC.		DALLAS, TX	
UNITED HEALTH GROUP		BALITMORE, MD	
UNUMPROVIDENT		PORTLAND, ME	
VSP		PLANO, TX	
RFP SOLICITED:	72	RFP LOCAL:	24
RFP RECEIVED:	22	NO BID:	4

APPROVED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

Effect of Benefit Recommendations on Current Employee Rates

Contracts & Coverages	Effect on Employee Rates
Third Party Administration	None
Stop Loss Insurance	None
Section 125 Plan Administrator (Flexible Spending Account)	New Benefit-no cost to employees
Employee Assistance Program	New Benefit-no cost to employees
Pharmacy Benefit	None
Dental Coverages	
United Concordia	Average 13% increase on rates with orthodontia benefit-adult orthodontia included. Maximum increase of \$3.74/pay period
	Average 6% increase on coverage without orthodontia benefit. Maximum increase of \$1.81/ pay period
Safeguard Dental (DMO)	11% decrease from current rates. No orthodontia benefit included
Vision Coverage	Average 12% reduction from current rates.
Disability Coverage	No change to current rates
Life Insurance	
Basic \$15,000.00 coverage	No cost to employees
Supplemental coverage	Average 30% reduction in current rates for 30-64 age brackets.

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STAR ROBBINS & CO.  
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KYLE GILLS  
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FLOWER MOUND, TX 75028

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